

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18888
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On April 22, 2005, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1998 through 2003 in the total amount of \$33,180.

The taxpayer's representative (accountant) filed a timely appeal on behalf of the taxpayer and submitted a fully executed Power of Attorney form. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer was an Idaho resident who appeared to meet the Idaho income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why her 1998 through 2003 Idaho returns had not been filed, but she did not respond to the inquiries.

The Bureau requested and received a transcript of the taxpayer's federal income records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --
Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the

determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent her a Notice of Deficiency Determination. Her accountant filed a timely protest wherein she stated the tax liability would be considerably decreased by their filing returns. She asked for an extension of time until the end of September 2005.

The Bureau granted the taxpayer the requested delay and, on October 20, 2005, the taxpayer's 1998 Idaho return was received and forwarded for processing. The taxpayer was notified that the return was accepted as filed, and the portion of the Notice of Deficiency Determination addressing 1998 was canceled. Therefore, the taxpayer's 1998 Idaho return will not be further addressed in this decision.

When the Bureau did not receive anything else from the taxpayer or her accountant by the end of the year, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. Neither the taxpayer nor her accountant responded to a letter from the Tax Appeals Specialist outlining the taxpayer's appeal rights. To date, the Tax Commission has not received the taxpayer's 1999 through 2003 Idaho individual income tax returns. The taxpayer has given no indication as to when those returns might be expected, and the Tax Commission's telephone calls have not been returned.

Tax Commission records show that during the taxable years 1999 through 2003 the taxpayer was an Idaho resident with Idaho sourced income in excess of Idaho's filing requirement. These facts the taxpayer does not dispute. However, she has not filed Idaho income tax returns.

The Bureau used the income information contained in federal 1099 forms reported to the IRS in the taxpayer's name and Social Security number and an estimate of income resulting from the taxpayer's self-employment to calculate the taxpayer's Idaho tax amount. Tentative payments identified for some years (\$1,600 for 2000; \$800 for 2001; \$800 for 2002; and \$1,200 for 2003)

reduced the tax due. The standard deduction and credit for one personal exemption were allowed.

The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support her argument, the taxpayer has failed to meet her burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated April 22, 2005, is hereby MODIFIED, and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	\$4,085	\$1,021	\$1,591	\$ 6,697
2000	2,975	744	920	4,639
2001	3,022	756	701	4,479
2002	3,463	866	581	4,910
2003	4,143	1,036	476	<u>5,655</u>
			TOTAL	\$26,380

Interest is computed through March 15, 2006.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is included with this decision.

DATED this ____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2006, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.